

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 2/5/2014

GAIN Report Number: CI1401

Chile

Post: Santiago

Chile implemented the FTA with Vietnam

Report Categories:

Trade Policy Monitoring

Approved By:

Rachel Bickford, Agricultural Attaché

Prepared By:

Nelson Ramirez, Agricultural Specialist

Report Highlights:

Chile published on the National Gazette on February 4th the approval of the FTA with Vietnam which enforces its immediate implementation.

General Information:

The FTA between Chile and Vietnam is the fifth trade agreement negotiated under the administration of President Sebastián Piñera. It comprises 96% of Chile's tariff lines. Over nine-thousand products that are covered by the agreement, with different implementation tranches ranging from zero tariff today to a more gradual implementation over fifteen years.

“As of today [February 5, 2014] 73.70% of Chile's exports will enter Vietnam tariff free, key products being fishmeal and medical supplies, both with 5% tariff today. In five years, 75% of Chilean exports will be completely liberalized. At 8 years 80% and at 10 years about 90% of Chilean exports enter Vietnam with zero duty.” said the Director General of DIRECON.

The Agreement, which is focused on market access and its related disciplines, such as Rules of Origin, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Trade Protection and Cooperation, also includes a review clause that will deepen the agreement in terms of services and investments.

For Chile, it was especially important to win access for beef, pork , dairy products and fruits , since Vietnam has high tariffs on these products and through this agreement will reach zero at the end of the negotiated period. This was emphasized by the Director of DIRECON : " Chile won major concessions for certain products for which Vietnam has high tariffs, as is the case of meat and fruit , this will provide broad benefits for Chilean exporters against potential competitors."

Vietnam won preferential access in the Chilean market for printers , tea and cameras and clothing. For example Vietnamese footwear paid a 6% tariff to enter Chile yesterday, will be zero from today forward.

Tariff reduction schedule of Vietnam for Chile is attached.